

DRAFT
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Neshoba County Fair

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It's great to be here again on this historic stage for the sixth time as your Governor.

Y'all know Marsha, my bride of nearly 38 years. No man could have a better partner and best friend.

Marsha reminded me that President Reagan, my former boss and a great friend to Mississippi, graced these grounds on August 3, 1980, in his first public appearance after officially receiving the Republican presidential nomination that year.

Some of you, perhaps many of you, heard him say words 29 fairs ago that resonate as clearly today as they did then: He said, "There isn't anything like this any place on the earth."

This is a place where politics, like fried chicken, barbeque, and iced tea, is consumed with every meal.

It's a place where careers can be made, or lost.

This is a place where rumors swirl like dust from the red clay hills on a windy summer day; and I want to address some of them right here at the outset.

Many people are starting to think about running for office. I can tell you there is no truth to the rumor that Marsha will run for Governor in 2011 ... (turn around and look at Marsha) ... isn't that right, honey?

The only thing for sure is Haley Barbour's name won't be on a state ballot in 2011, but only because I've never really wanted to be Attorney General.

Well, we're past the half-way point. You know how it is. People come, and they're only supposed to stay a little while, but the day comes and they won't go home. They're constantly under foot, eating and drinking everything in sight. They start arguments about things that don't make sense, and inevitably, somebody says something they shouldn't, then after a while, it's just hot and nasty and nobody makes sense, and you wish they'd just go home. By the time they finally leave, you barely catch your breath before you realize, that whole bunch probably will come back next year, leaving their common sense at home.

But enough about the Legislature. How are things in your cabin this year?

Today, I want to talk about some things that affect every person under the sound of my voice, and beyond.

Special Session

- necessary because legislators had failed to adopt a budget for Fiscal Year 2010.

- after all the contentiousness and controversy, the Legislature adopted a balanced, prudent budget that will keep the wheels of state government turning for another year.

- I even signed 99 percent of the bills.

Record budget – More than \$5 billion.

Single largest item is education, about two-thirds of the state budget.

Education spending, boosted by federal stimulus, will top \$3.5 billion in Fiscal Year 2010, a 7.2 percent increase from the previous record funding, despite 5-6 percent cuts at most other state agencies.

Mississippi Adequate Education Program fully funded.

Don't be misled – education is Mississippi's number one priority, and my record proves it.

Medicaid – hospital tax in place for now, but still looking for a fair, permanent, sustainable solution.

Medicaid projected to grow as economy stays weak; more people seeking benefits; it's an entitlement program, meaning anyone who is eligible must get the services.

But legislation proposed by Democrats in Congress and the Obama administration would expand Medicaid eligibility.

Here's what it would do to Mississippi's budget:

- If the federal government expands Medicaid to cover all individuals at or below 150% of the federal poverty level, or FPL, it would increase Mississippi's Medicaid rolls by 297,000 individuals. At 133% FPL, expansion would increase the rolls by 264,000.
- The cost associated with the 150% FPL expansion would be a \$333 million annual increase and at 133% FPL the cost increase would be \$297 million.
- In addition, it's possible that a large expansion in the Medicaid program could require states to increase their current reimbursement rates to ensure sufficient physician participation.

- It's been calculated by experts that the estimated impact of an increase in Medicaid eligibility at Medicare rates and the annual state cost would be \$443 million at 150% FPL and \$402 million at 133% FPL.

Many governors attending the recent National Governors Association meeting on the Mississippi Gulf Coast said they are either opposed to or very, very concerned about the possibility of states having to bear these additional costs.

State revenue collections not keeping pace with projected spending, which means more cuts are likely in FY 2011

Must remain vigilant because some in the Legislature would spend every dime without regard for future needs.

That mindset is fiscally dangerous and counter-productive.

Must begin to tackle reforming state government, eliminating duplication to ensure taxpayers get the most efficient, effective services.

Now the time is ripe to evaluate how state government operates and for each agency to justify its existence to the taxpayers. We must be innovative in our pursuit to ensure that government operates efficiently, particularly as we continue to see tax revenues fall below estimates

National issues

This is now Obama's economy.

President Obama read on his teleprompter that his so-called stimulus would create or save 3-4 million jobs ... that the economy's improving, that Obamacare will reduce the cost of health care, and that what we really need is for the cost of gasoline is be what it is in Europe, which the last time I checked was about \$8 a gallon.

It's as if some of Jay Leno's comedy writers have gone to work in the Obama administration.

Maybe President Obama should spend less time with the teleprompter and more time focusing on the faces of Americans who are worried about his high tax, high debt, high risk administration.

Two thousand nine has been a tough year for a lot of Mississippians. While lots of moms and dads were losing their jobs or getting their hours cut, the Obama administration spent twice as much money while creating half as many jobs as we need.

How do you spend more money than any administration in history, call it a “stimulus package” and declare victory even as the unemployment rate continues to rise?

At some point, somebody’s going to have to pay the bill – and guess who Obama has in mind for that. You!

It starts with President Obama’s cap-and-trade energy policy. It takes energy to make America operate, to run our schools and businesses, and raising taxes on the energy we use is a sure-fire way to make sure this recession lingers.

Cap-and-trade is a disincentive to businesses that otherwise might start or expand, and it virtually guarantees that steel production will move almost exclusively to China.

They ought to call the stimulus package and the cap-and-trade policy what they truly are: Bait and switch.

It’s all going according to the liberal playbook. First, spend the money and spread their social policy, claim the rich will be the ones to pay for it, then raise taxes on what’s left of working men and women.

Health care

Obamacare would seriously hamper health care in America. He read on his teleprompter it will provide better care at less cost, and he promotes the concept well; he’s a great performer and you want to believe what he says.

But at what cost to the quality of care? At what cost to a patient’s very personal relationship with his doctor? At what cost to the 46,437 small businesses in Mississippi alone, which employ 96.7 percent of Mississippi’s workforce?

Democrats argue the sheer number of people without healthcare is an indication that the system is broken. According to them, “approximately 46 million Americans don’t have health insurance.”

Consider:

- 46 million represents 15% of population (so, the vast majority – 85% – of Americans are covered)
- The Census’s estimate for the uninsured (45.7 million) includes 9.1 million individuals who are not American citizens. Subtract this from the total, and the Census estimate for uninsured Americans becomes 36.6 million, or 12.2% of population.
- Of the total 46 million, nearly 40% are Americans who make \$50,000 or more annually. In fact, 9 million Americans who make an annual salary \$75,000 or higher do not have health insurance.
- The number of people without health insurance coverage *decreased* between 2006 and 2007, while U.S. household income *increased*. This underscores the importance of fostering individual wealth through state and national policies.

House Republican Conference research found that Obamacare would result in \$818 billion of new taxes over 10 years on individuals who cannot afford health coverage, and employers who cannot afford to provide coverage that meets federal bureaucrats’ standards.

Mandates would require that an individual enroll in an “acceptable” health plan or face a tax penalty. The only exception would be “hardship” cases.

Those without coverage would pay a penalty of 2.5% of their adjusted gross income up to the cost of the average national premium for self-only or family coverage under a basic plan in the Health Insurance Exchange.

The individual mandate tax breaks the campaign promise of President Obama in which he stated no family making less \$250,000 a year will see any form of tax increase. The individual mandate applies to all incomes.

Small businesses are mandated to offer “acceptable” coverage to their employees. Non-compliant firms will be penalized 8% of their average wages in a manner that allows for aggregation of total employee costs.

As economists generally note, the costs of an employer mandate are invariably passed onto employees in the form of wage or compensation reduction, or even job loss.

The bill permits the imposition of excise taxes on businesses who do not offer health coverage up to \$500,000 for inadvertent and unintentional deviations from the bill's bureaucratic dictates.

The bill would impose a per capita tax on all health insurance policies in order to finance a Comparative Effectiveness Research Trust Fund charged with compiling data that could be used to ration healthcare treatments and services.

In his July 17 radio address, Obama pledged to the nation that he **"will not sign on to any health plan that adds to our deficits over the next decade."** *(Full quote: "Let me clear: I will not sign on to any health plan that adds to our deficits over the next decade.")*

But, my experience with the federal government is, if the government runs something, it usually costs you more and gives you less.

In fact, the nonpartisan Congressional Budget Office estimates Obamacare will cost \$1.045 trillion - that's trillion, with a "T" - over the next 10 years.

So, don't be fooled: The President's healthcare proposal, which is so expensive that even Democrats are working against its speedy passage, will cost the taxpayers trillions of dollars, while clobbering small businesses and adding to our already-bloated deficit.

Obama-care really amounts to a new tax on job creation and hits especially hard at the 6 million small employers in America that create about 80 percent of the net new jobs.

Energy

Few of the Obama proposals over the past six months are riskier than his energy proposal.

Cap and trade is catastrophic for most states, especially states whose people enjoy reasonably-priced electricity generated by coal or natural gas.

Obama's aim is to drive up the cost of energy as a means of reducing carbon emissions, He said it himself in a January 2008 interview with the San Francisco Chronicle: Under my cap and trade proposal, electricity rates would necessarily skyrocket.

The Secretary of Energy, Stephen Chu, said what America really needs is gas prices like those in Europe -- \$6, \$7, \$8 dollars a gallon.

As long as I'm Governor, Mississippi will have an energy policy - and the policy is "More Energy."

Abundant, affordable, available American energy.

Mississippi positioned as an energy-reliable state.

Politics

In the last year, needs have grown while revenues have declined. The Democrats' answer is higher taxes, bigger debt, greater federal regulation, tighter control over every aspect of life.

Every far-left special interest that's lurked in the wings for the last 40 years is being trotted out as if it were something new. That's really the Obama message of "change."

That's not the America I know.

The America I know rewards hard work, entrepreneurship, and innovation.

The America I know tends to the elderly, sick and disabled without sacrificing the next generation.

The America I know is a land where the government serves the people, not the other way around.

And, the America I know protects the rights of the unborn, and absolutely honors the Second Amendment to the Constitution of the United States.

My friends, the America we know is heading in the wrong direction. We know it; more polls are showing it.

The solution is not more taxes on working people and small businesses. The solution is new and higher paying jobs.

